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15 December 1947

CHIEF, SUPPLY DIVISION

*cc Chron
Sup. Div.
[] []*

NORTH

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For action.

(Ltr. from Armstrong, Spec. Asst. to Secy of State ack. receipt of memo 21 Nov. 47 re disposition of Pictorial Records Files and agreeing to the transfer. Move of files from [] will begin immed, exact time to be agreed by IAD and Ref. Cer [])

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[] to MIM w/note saying he discussed [] and will facilitate move anytime MIM ready to transfer material. Requests he be notified.)

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CHIEF, SERVICES BRANCH

NORTH

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NO CHANGE in Class.
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DDA Memo, 4 Apr 77
Auth: DDA REG. 77/1
Date: [] B~~

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NO CHANGE in Class.

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26 June 1947

DDA Memo, 4 Apr 77

Auth: DDA REG. 77/173

Date: MEMORANDUM FOR By:

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The following is a report of a meeting held in the office of Mr. Stanley A. McKay, State Department, regarding the transfer of the Map Intelligence Division and Joint Intelligence Studies Publishing Board from the Department of State to CIG.

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1. The meeting was attended by Mr. McKay, Mr. Forrest McCluney, Mr. Arch K. Jean, and Mr. Charles W. Curtis, representing the Department of State, and Mr. and Mr. Saunders representing CIG.

2. Mr. McCluney reviewed the circumstances which resulted in the present situation for the benefit of the meeting and stated that the proposal by the Department of State to transfer these activities to CIG was made as a result of a cut by the House of Representatives in the budget of the Department of State, a small portion of which was restored by the Senate. It was determined in the Department of State that, rather than have a reduction in the personnel of all intelligence activities of the Department of State, it would be better to eliminate the two functions which were offered to CIG. Mr. McCluney stated that Congress did not specifically direct the State Department to eliminate these two functions, but rather stated that they had been told by the House Committee on Appropriations to make their reduction in activities or personnel wherever they saw fit. For this reason, the transfer of these functions to CIG should not be considered as circumventing the intent of Congress.

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3. proposed that the transfer of functions be made to CIG and that State Department personnel be immediately terminated and the day following the effective date of their termination, they be appointed to CIG on a temporary basis with 90 day appointments. Mr. McCluney and Mr. McKay objected to this proposal on the ground that certain of the employees would probably not surrender their rights in State Department for a temporary appointment in CIG. This proposal was initially made in order to permit CIG to conduct security investigations and, also, to allow a study by CIG of the operations of these divisions.

4. Since the above proposal was rejected, the following proposal was made by

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(a) That CIG assume the operational and financial responsibility for these two activities as of 1 July 1947.

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(b) That CIG would reimburse the Department of State for the complete cost of continuing these functions on their present basis until transfer to CIG. The proposed date of transfer was 1 October 1947. The cost of operation from 1 July 1947 to 1 October 1947 would be approximately \$130,000.

(c) That CIG would conduct security investigations on all personnel involved and those who cannot be accepted by CIG on the grounds of security would remain in the Department of State. All other personnel would be transferred to CIG.

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(d) [redacted] ^{proposal} had proposed that upon a survey by CIG of the operation and a determination being made that certain of the personnel who would not be required in CIG should remain in the Department of State, was rejected by Mr. McCluney. He felt that such a proposal was contrary to the intention of [redacted] and Admiral Hillenkoetter, and if CIG was to take the functions, they should be taken, less personnel who were security risks.

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5. It was agreed that the activities of these two divisions would remain in their present location until further notice.

6. It was agreed that on or about 1 July 1947, CIG would designate a representative to be responsible for the operations of these divisions.

7. Mr. McCluney stated that State Department may desire to remove certain material from the files of the Map Intelligence Division prior to the transfer. [redacted] stated this should not be done until after CIG had assumed operational responsibility for this function, and then only upon agreement with the CIG representative.

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8. It was agreed that the above proposal would be submitted to the Bureau of the Budget on Thursday, 26 June 1947, for approval.

9. It was understood at this meeting that neither the Department of State nor CIG representatives had made any final commitment as to approving the proposal which is outlined above.

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[redacted]
Deputy Executive for Personnel
and Administration

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